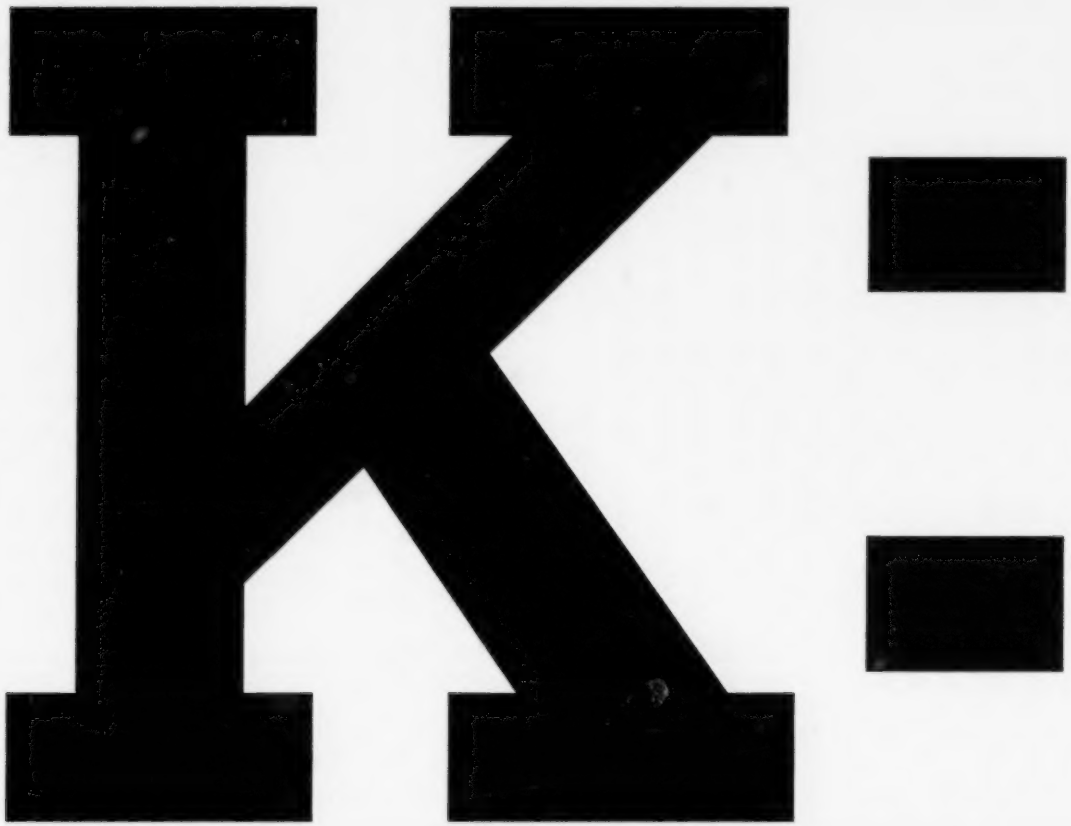

BRITISH COLUMBIA'S

Knowledge Network

Knowledge Network Corporation Service Plan 2013/14 to 2015/16

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To the Honourable Ben Stewart, Minister of Citizens' Services and Open Government

On behalf of Knowledge Network Corporation's Board of Directors, I am pleased to submit our 2013/14 to 2015/16 Service Plan.

Nini Baird, Chair

British Columbia's Knowledge Network offers trusted content from B.C. and around the world that informs, inspires and engages. Our responsibility as a public educational broadcaster is to bring diverse points of view to British Columbians: to challenge assumptions, broaden awareness, and spur the acquisition of new knowledge. This responsibility extends to our youngest viewers through Knowledge Kids, where programs, games and activities spark the imagination of children and encourage a love of learning. We serve British Columbians on any screen they choose: television, smartphone, tablet and computer.

The Board and staff have recently identified five new strategic goals to lead us through 2013 to 2016:

- Expand digital platforms to serve audiences anywhere, anytime.
- Commission original British Columbian content in partnership with independent producers for multi-platform delivery.
- Engage audiences through personalized, interactive social experiences.
- Strengthen the Knowledge Network brand story and share it.
- Increase revenue through entrepreneurial and philanthropic initiatives.

Increasing engagement with British Columbians is our strategic focus over the next three years. By leveraging the most popular media platforms, we aim to strengthen our relationship with viewers and donors across the province.

We will continue to invest in original B.C. content in partnership with independent television and media producers. There are three significant projects launching in 2013/14 designed to stimulate dialogue and encourage public participation. *The Emergency Room* is a six-part documentary series about people who work on the front lines of emergency medicine at Vancouver General Hospital. It will follow nurses, doctors and support staff who make life and death decisions while confronting the steadily rising demand for health resources. To create a greater depth of understanding on current health care issues, a complementary website will be developed to engage citizens across the province. *Working People* is a series of webisodes, developed in partnership with the Labour Heritage Centre, telling the

Accountability Statement

The Knowledge Network Corporation Service Plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the B.C. Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

All significant assumptions, policy decisions, events and identified risks, as of January 2013, have been considered in preparing the plan. The performance measures presented are consistent with Knowledge Network Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Knowledge Network Corporation's operating environment, forecast conditions, risk assessment and past performance.

story of British Columbian workers who played extraordinary roles in the building of our province. *Take Me Home* is a series of documentary shorts for television and online, funded in part by the Ministry of Community, Sport and Cultural Development. It will promote the province of British Columbia through personal stories by renowned B.C. artists, athletes, and community leaders.

The Board recognizes that a timely transition to high definition (HD) is vital to remaining relevant with viewers in B.C. and to continuing the generation of revenues through philanthropic initiatives. Therefore, in fall 2013 we will launch a high definition channel for our television service. The new channel is funded exclusively through new self-generated revenues. A significant source of that new revenue is BBC Kids, a commercial-free Canadian subscription children's channel operated as a co-venture with BBC Worldwide.

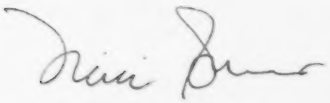
Keeping pace with technological changes in the delivery of content - both on-air and online - remains an ongoing challenge. Audience growth online has been steadily increasing, resulting in increased broadband usage and associated costs. We expect this growth to accelerate with the roll out of the next phase of Knowledge.ca in 2014, which will include increased engagement opportunities for British Columbians.

Our provincial outreach will remain a core activity to connect with communities outside the Lower Mainland. Initiatives include Knowledge Partner events, workshops for independent filmmakers, participation at children and family festivals, and speaking opportunities with Chambers of Commerce, community organizations, service clubs, colleges and universities.

As B.C.'s viewer-supported public broadcaster, we rely on the generosity of over 35,000 loyal donors who last year contributed $2.9M. We are also very grateful for the ongoing commitment and support we have received from the Ministry of Citizens' Services and Open Government and the Government of British Columbia.

Our three-year plan ensures that we will continue to build on our success, offering trusted, original content in the public interest on any screen, anytime. We look forward to creating new opportunities to engage with British Columbians on the relevant issues of our time.

Sincerely,



Nini Baird, C.M. Chair
Knowledge Network Corporation Board of Directors

Organizational Overview

Knowledge Network is British Columbia's public educational broadcaster. Our mission is to provide all British Columbians with a trusted alternative for the commercial-free exploration of life, connecting them to the world through television, internet, and mobile platforms.

Vision

Knowledge Network, as British Columbia's public educational broadcaster, supports lifelong learning by providing quality programming to all British Columbians through television, the web and other emerging technologies.

Enabling Legislation

Knowledge Network is a Crown corporation, created in 2008 under the Knowledge Network Corporation Act.

Our Mandate

The Knowledge Network Corporation Act lists the purposes of Knowledge Network as:

- to carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians,
- to promote lifelong learning in British Columbia by providing quality educational programming,
- to inform and educate British Columbians about their province and about issues that are relevant to them,
- to provide British Columbians with a unique television experience, and
- to collaborate with the independent television and web media production sectors in British Columbia.

How Knowledge Network Serves British Columbians

Public educational broadcasting encourages active citizenship and public engagement. Knowledge Network offers content that informs, inspires and engages, presenting relevant issues from local and global perspectives. We do this by:

- distributing commercial-free, relevant content to all British Columbians through television, internet, and mobile platforms,
- distributing commercial-free, educational content to British Columbia's youngest viewers through television, internet, and mobile platforms,
- researching, curating, licensing, and packaging content from British Columbia, Canada, and around the world that supports lifelong learning,
- commissioning, prelicensing, and developing original content for television, internet, and mobile platforms, and
- building and managing the charitable arm of Knowledge Network, including donations, legacy gifts, and bequests.

Core Business Areas

Our core business areas are defined through our management structure (page 6).

Principal Partners, Clients, and Stakeholders

Key stakeholders include:

Our Viewers – 1.4 million weekly viewers across British Columbia

Our Shareholder – the Government of British Columbia

Our Donors – 35,000 Knowledge Partners

Our Storytellers – the independent production community

Our Partner in BBC Kids – BBC Worldwide

Our Regulator – Canadian Radio-television and Telecommunications Commission (CRTC).

Values

Knowledge Network is guided by these values:

Trust We serve the public interest and deliver on our brand promise.

Integrity We work to the best of our abilities, engaging in principled decision-making and ensuring independence in programming.

Respect We demonstrate due regard for everyone and strive to reflect diverse points of view.

Accountability We are open, responsible, and transparent in the conduct of our business.

Quality We strive for excellence in the selection, presentation, and distribution of our programming and in our interactions with all those we serve.

Benefit to British Columbians

Knowledge Network is where stories live that speak to our time. We give British Columbians a sense of place, connecting them to the rich history, arts and culture of our province. We help them see the world from different perspectives through our global network of storytellers: artists, dramatists, explorers,historians, naturalists, and performers.

Our cultural, economic, and social benefits to British Columbians include:

Literacy and Early Childhood Development

Knowledge Network provides B.C.'s children with a safe and trusted learning environment on television and at Knowledgekids.ca

Economic Development

Knowledge Network's commissioning and licensing of original content helps B.C.'s independent production sector attract additional financing from provincial, national, and international sources. Through development funding and formal internships with colleges and universities, we reach out to new and emerging talent, providing unique opportunities for professional development in the television and new media workplace.

B.C. Content

Knowledge Network offers programs of direct relevance to British Columbians, cultivating dialogue and encouraging participation in our culturally diverse, vibrant, and dynamic province.

Viewer Supported, Viewer Focused

British Columbians contribute to the success of Knowledge Network. As a viewer-supported public broadcaster, we deliver significant, high-quality content that is informed by the interests of our audience.

Accessible and Commercial-free

Knowledge Network has mandatory carriage on cable and direct-to-home satellite. Most of our programs are also available for free viewing at Knowledge.ca and Knowledgekids.ca. Our programming has no interruptions, no commercial advertising and is closed captioned on-air and online.

How We Deliver Services

Knowledge Network delivers educational content to British Columbians via television through mandatory carriage on cable, direct-to-home satellite, IPTV services, and at Knowledge.ca, KnowledgeKids.ca and mobile platforms. We develop, prelicense, and commission filmmaker-driven creative documentaries for broadcast on Knowledge Network. We serve as a resource for independent producers across traditional and interactive media sectors for the creation of multi-platform content.

Governance

The corporate status of Knowledge Network is governed by the Knowledge Network Corporation Act of British Columbia.

Minister of Citizens' Services and Open Government

Honourable Ben Stewart

Board of Directors

Nini Baird, C.M., Chair

President and Chief Executive Officer

Rudy Buttignol

Senior Management

Tracey Balogh	**Director of Human Resources**
Murray Battle	**Director of Independent Production and Presentation**
Oliver Eichel	**Director of Broadcast Operations**
Jeffrey Lee	**Director of Finance**
Sarah MacDonald	**Director of Business and Partnerships**
Glenna Pollon	**Director of Government Relations and Communications**
Lisa Purdy	**Director of Knowledge Kids and BBC Kids**
John Reid	**Associate Director of Business Affairs**
Ravi Singh	**Director of Interactive**

Knowledge Network holds two other designations that inform our organizational and business decisions:

1. Knowledge Network is licensed through the Canadian Radio-television and Telecommunications Commission (CRTC) to broadcast educational programming in British Columbia.
2. Knowledge Network is a registered charity, engaging in fundraising activities through our Knowledge Partners program. Funds raised support the acquisition and production of educational and engaging content from British Columbia and around the world.

Board of Directors

The Board of Directors of Knowledge Network are appointed by the Lieutenant-Governor in Council. The Ministry of Citizens' Services and Open Government is responsible for policy direction, while the Board is responsible for operational policy and setting the strategic direction of the organization. The Board also monitors performance based on the Province's planning and reporting principles. The Board delegates responsibility for the day-to-day leadership and management to the President and Chief Executive Officer. Knowledge Network governance practices are in compliance with Board Resourcing and Development Office Governance Guidelines. Knowledge Network's governance and policy information is available at Knowledge.ca/about/governance.

Governance Principles	How They Are Achieved
Ensure broad-based, relevant Board representation.	Recommend individuals from business, education, finance, law, new media, and other relevant disciplines.
Promote strategic macro-governance direction.	Work with management to ensure continuous improvement of service delivery.
Maximize value for money.	Operate by demonstrating effectiveness and efficiency in use of resources.
Listen to partners.	Seek and act on input from partners, stakeholders, and the provincial government.
Leverage best practices including the selection of performance measures and targets.	Support the CEO in the development, implementation, and evaluation of a Service Plan that meets goals and objectives set by the Board.

Knowledge Network Corporation Board of Directors (at January 31, 2013)

Board Members	Board Committees
Nini Baird (Vancouver)	Chair, Board of Directors Chair, Human Resources Committee ex-officio Member, all Board Committees
Kevin Brown (Prince George)	Member, Community Outreach and Engagement Committee
Beth Haddon (Toronto/Vancouver)	Secretary, Board of Directors Chair, Strategic Planning Committee Member, Audit and Finance Committee
Wendy Heskha (Kamloops)	Chair, Community Outreach and Engagement Committee Member, Audit and Finance Committee Member, Strategic Planning Committee
Debbie MacMillan (Kelowna)	Member, Strategic Planning Committee Member, Fund Development and Partnership Committee Member, Community Outreach and Engagement Committee
Sinclair Mar (Victoria)	Chair, Governance Committee Member, Community Outreach and Engagement Committee Member, Audit and Finance Committee
Sheila Orr (Victoria)	Member, Fund Development and Partnership Committee Member, Governance Committee Member, Strategic Planning Committee
Mitch Taylor (Vancouver)	Vice-Chair, Board of Directors Chair, Audit and Finance Committee Member, Community Outreach and Engagement Committee Member, Strategic Planning Committee
Marg Vandenberg (Vancouver)	Chair, Fund Development and Partnership Committee Member, Community Outreach and Engagement Committee Member, Governance Committee
All Members	Human Resources Committee

Board Committees

There are six standing Committees that support the role of the Board in fulfilling its obligations and responsibilities to further the goals of Knowledge Network.

Audit and Finance Committee
The purpose of the Committee is to ensure the audit process, financial reporting, budgets, and risk management systems are reliable, efficient, and effective.

Fund Development and Partnership Committee
The purpose of the Committee is to identify new sources of revenue and serve as ambassadors and strategists for fund development activities and for the development of external relationships.

Governance Committee
The purpose of the Committee is to ensure Knowledge Network develops and implements governance objectives and policies.

Human Resources Committee
The purpose of the Committee is to ensure Knowledge Network's compensation and human resource philosophies and strategies are in keeping with our mission, values, and key goals as well as our legislative and government policy guidelines and requirements.

Strategic Planning Committee
The purpose of the Committee is to ensure Knowledge Network's strategic direction meets the public policy objectives identified in the Knowledge Network Corporation Act.

Community Outreach and Engagement Committee
The purpose of the Committee is to provide input, recommendations and feedback on the various outreach and engagement initiatives undertaken by Knowledge Network in order to strengthen our relationship with our viewers and to share our story with them.

Strategic Context

As a federally licensed broadcaster and a provincially mandated public service, British Columbia's Knowledge Network operates in a dynamic environment. Our Service Plan supports both our federal and provincial commitments, and identifies the opportunities and risks we face moving forward.

Knowledge Network's mission is to provide a trusted alternative for the commercial-free exploration of life, connecting British Columbians to the world through television, internet, and mobile platforms. We have identified five new strategic goals that will direct the organization's work over the next three years in support of this mission:

Goal 1: Expand digital platforms to serve audiences anywhere, anytime.

Goal 2: Commission original British Columbian content in partnership with independent producers for multi-platform delivery.

Goal 3: Engage audiences through personalized, interactive social experiences.

Goal 4: Strengthen the Knowledge Network brand story and share it.

Goal 5: Increase revenue through entrepreneurial and philanthropic initiatives.

Each year, the senior management team at Knowledge Network conducts a risk analysis process to determine the main factors that will affect our ability to achieve intended results.

There are four primary risks that may have an impact on our public service: revenue generation from BBC Kids, BDU (broadcast distribution undertaking) carriage of our standard definition and high definition services, increased digital distribution costs and consumption of media content from multiple devices.

The following table outlines the opportunities and mitigation strategies we have in place to address these risks.

Area of Risk	Risk Factors and Sensitivities	Opportunity	Mitigating Strategies
Revenue Generation - BBC Kids	Broadcast industry consolidation impacts availability of content.	Favourable bundling of independent channels due to federal regulatory requirements.	Continue brand building initiatives. Obtain federal regulatory approval to increase percentage of animation programming.
BDU (broadcast distribution undertaking) Carriage and Province-wide Distribution	High Definition channel will displace the Standard Definition channel.	High Definition channel reaches new audiences.	Require Standard Definition carriage as a condition of High Definition carriage with BDU's.
Increased Digital Distribution Costs	With more viewers accessing content online, broadband usage and associated costs will increase significantly.	Audience growth through increased viewership online.	Seek sponsorship opportunities for on-demand streaming video at Knowledge.ca.
Asynchronous Viewing on Multiple Platforms	Building brand awareness becomes more challenging.	Retain current viewers and donors while reaching new audiences.	Acquire better understanding of user experience on mobile platforms and social networks.

Our Strengths

To help us achieve our goals and fulfill our mandate, **British Columbia's Knowledge Network:**

- is available any screen, anytime (on-air, online at Knowledge.ca and KnowledgeKids.ca, and on tablets and mobile devices)
- averages a 3.9% audience share for our primetime schedule (BBM Canada Fall 2012, Vancouver Extended Market),[1]
- is in good standing with the Canadian Radio-television and Telecommunications Commission,
- operates using a state-of-the-art digital platform,
- maintains strong relationships with the independent production sector in British Columbia and Canada,
- has access to international documentary markets to help finance and promote B.C. documentaries,
- has extensive experience in researching, licensing, and packaging educational digital content,
- has dedicated staff with unique skills and expertise that support our strategic direction,
- generates philanthropic revenue through donations from 35,000 loyal Knowledge Partners and our endowment fund, and
- generates entrepreneurial revenue through media partnerships and operation of a Canadian subscription children's channel.

1. Share is the percentage of the total viewing audience that are tuned in to a particular station. It is based not only on Knowledge Network's performance, but also the performance of other stations in our market.

Goals, Strategies, Measures, Targets, and Benchmarks

Benchmarks

Knowledge Network performance measures are benchmarked against past performance. As of December 2012, there are four public educational broadcasters in Canada, each using distinct measures of success based on their provincial mandates. We continue to explore opportunities to incorporate external benchmarks.

Adjustments

Goals and performance measures from the 2012/13 to 2014/15 Service Plan supported our three year strategic plan for a sustainable, improving public service. With many of the strategies implemented and solid results achieved, we have introduced a new three year strategic plan focusing on increased engagement on multiple platforms. As a result, new goals, strategies and performance measures have been established. The 2013/14 period will be a benchmark year for four performance measures that do not yet have targets. We will continue to report on performance measures that remain relevant from the 2012/13 to 2014/15 Service Plan.

Goal 1: Expand digital platforms to serve audiences anywhere, anytime.

Media consumption patterns and new technologies continue to evolve rapidly. Viewers now expect access to high quality content, anywhere and anytime they choose. To maintain its relevance, Knowledge Network must ensure its presence on new platforms as they are adopted by consumers.

Strategies

1. Launch a Knowledge Network High Definition television channel.
2. Increase out-of-home viewer access to Knowledge Network, Knowledge Kids and BBC Kids on new mobile platforms, such as the iPad and Android-powered tablet computers.

Measures

Average Weekly Reach (TV Audience)

We measure average weekly reach annually for Knowledge Prime (6pm to 12pm) and Knowledge Kids (6am to 6pm) using data from BBM Canada, the national provider of TV, radio and consumer information. Average weekly reach is the unduplicated number of people aged two years or older viewing at least one minute of programming in British Columbia. BBM Canada estimates are based on 95% confidence interval.

Total Hours Viewed in Primetime (Weekly Average)

We measure Total Hours Viewed for Knowledge Prime (6pm to 12pm) based on the fall 2012 season using data from BBM Canada.

Web Visits

We measure Knowledge Network web visits annually for both Knowledge.ca and Knowledgekids.ca using Google Analytics. Visits or sessions are defined as a period of interaction between a visitor's browser and a particular website, ending when the browser is closed or shut down.

Page Views

We measure Knowledge Network web page views annually for both Knowledge.ca and Knowledgkids.ca using Google Analytics. A page view is defined as a view of a page on a site that is being tracked by a tracking code. If a visitor hits reload after reaching the page, this will be counted as an additional page view. If a user navigates to a different page and then returns to the original page, a second page view will be recorded as well.

Total Hours on Site

We track this measure using a customized report that measure the total aggregate time spent on Knowledge.ca and KnowledgeKids.ca by all visitors in hours.

Performance Measures		2011/2012 Actuals	2012/2013 Forecast	2013/2014 Target	2014/2015 Target	2015/2016 Target
AVERAGE WEEKLY REACH (TV AUDIENCE)	**Knowledge Primetime**	1.076 M	1.080 M	1.080 M	1.080 M	1.080 M
	Knowledge Kids	489,000	489,000	490,500	492,000	493,500
TOTAL HOURS VIEWED (WEEKLY AVERAGE)	**Knowledge Primetime**	N/A	1.315 M	1.315 M	1.315 M	1.315 M
WEB VISITS	**Knowledge.ca**	657,160	750,000	775,000	800,000	825,000
	KnowledgeKids.ca	226,241	425,000	445,000	475,000	500,000
	TOTAL	**883,401**	**1.175 M**	**1.22 M**	**1.275 M**	**1.325 M**
WEB PAGE VIEWS	**Knowledge.ca**	2.241 M	2.5 M	2.55 M	2.6 M	2.65 M
	KnowledgeKids.ca	554,494	850,000	880,000	910,000	940,000
	TOTAL	**2.796 M**	**3.35 M**	**3.43 M**	**3.51 M**	**3.59 M**
TOTAL HOURS ON SITE	**Knowledge.ca**	145,410	210,000	215,000	220,000	225,000
	KnowledgeKids.ca	66,066	120,000	122,500	125,000	127,500
	TOTAL	**211,476**	**330,000**	**337,500**	**345,000**	**352,500**

Goal 2: Commission original British Columbian content in partnership with independent producers for multi-platform delivery.

The independent production community continues to be a key partner in the creation of original content. Growth in Knowledge Network's access to external project funding together with independent producers' developing expertise in multi-platform storytelling will help ensure that we can share B.C. stories on the platforms consumers desire.

Strategies

1. Invest in British Columbian stories for distribution on multiple platforms.
2. Develop the intellectual property of the Knowledge Kids' characters, Luna, Chip and Inkie, to create new content for children and families.

Measures

Budget Commitment to Original Multiplatform Content

Knowledge Network is committed to funding independent production of original content for television and new media platforms.

Federal Funding Directed to B.C. Content and B.C. Independent Producers

Knowledge Network leverages funding from the Canada Media Fund which is directed towards B.C. independent producers and the creation of original B.C. content for television and new media platforms.

Performance Measures	2011/2012 Actuals	2012/2013 Forecast	2013/2014 Target	2014/2015 Target	2015/2016 Target
BUDGET COMMITMENT TO ORIGINAL MULTIPLATFORM CONTENT	$850,000	$850,000	$850,000	$850,000	$850,000
FEDERAL FUNDING DIRECTED TO B.C. CONTENT & B.C. INDEPENDENT PRODUCERS	$702,500	$800,000	$700,000	$710,000	$720,000

Goal 3: Engage audiences through personalized, interactive social experiences.

To be sustainable over the long term, Knowledge Network must enhance our ability to engage and attract audiences. By leveraging the most popularly adopted media platforms, we will strengthen our relationship with our 1.5 million weekly viewers by creating personalized experiences with our brand.

Strategies

1. Develop Knowledge Network's interactive initiatives topull" viewers into our websites and social networks so that they may engage and interact with our content, complementing the traditional broadcast experience ofpushing" content out.
2. Launch personalization features on our web and mobile platforms that are driven by user preferences that encourage participation, such as personal playlists and schedules, recommendations, polls, ratings and commenting.
3. To engage audiences, create affinity clubs, such as Documentary or Drama, where registered members can engage with us and each other regularly through dialogue and discussion on subjects they are passionate about.

Measures

Engagement on Knowledge.ca

The performance measure will be established in 2013 as part of Knowledge.ca redesign.

Number of Games Played at Knowledgekids.ca

We will measure engagement on Knowledgekids.ca through user interactions with content tracked independently from a web page or screen load using Google Analytics.

Performance Measures	2011/2012 Actuals	2012/2013 Forecast	2013/2014 Target	2014/2015 Target	2015/2016 Target
ENGAGEMENT ON KNOWLEDGE.CA (TBD)	N/A	N/A	Benchmark Year	TBD	TBD
NUMBER OF GAMES PLAYED AT KNOWLEDGEKIDS.CA	219,651	350,000 [2]	360,000	370,000	380,000

2. In 2012/13 new games and activities increasing interactive offerings for children were introduced.

Goal 4: Strengthen the Knowledge Network brand story and share it.

Knowledge Network has grown from a single analogue television channel to a media network with multiple channels and web offerings. It's imperative that current and prospective audiences identify Knowledge Network as a broadcasting and communication service that keeps pace with change and is dedicated to serving audiences anywhere, anytime. Now more than ever, the power of online networks offers a cost effective way to tell our brand story to a broader audience.

Strategies

1. Evolve the brand to emphasize that Knowledge Network is British Columbia's multi-channel, multi-platform, commercial-free public service; and strengthen its appeal as an organization with charitable status.
2. Broaden awareness of the Knowledge Kids by participating in events targeted at children and families.
3. Cultivate key influencers and organizations that have their own targeted networks, and facilitate their willingness to share the Knowledge Network story.
4. Improve the presence and visibility of Knowledge Network throughout the province with events in and outreach to B.C.'s diverse cultural communities.
5. Expand our presence on the Internet by launching promotional channels on YouTube and Facebook.

Measures

Public Awareness of Knowledge Network and Knowledge Kids

We conduct research each spring using Ipsos Reid's B.C. Reid Express Omnibus Surveys to measure awareness of Knowledge Network and Knowledge Kids in British Columbia. The study is completed using an online survey methodology using a random sample consisting of Ipsos Canadian panel members who are B.C. residents and are at least 18 years of age. The sample is balanced to be representative of the B.C. population according to Statistics Canada on age, gender, income and education.

Performance Measures	2011/2012 Actuals	2012/2013 Forecast	2013/2014 Target	2014/2015 Target	2015/2016 Target
PUBLIC AWARENESS OF BRITISH COLUMBIA'S KNOWLEDGE NETWORK (New Survey Question)	N/A	N/A	Benchmark Year	TBD	TBD
PUBLIC AWARENESS OF KNOWLEDGE KIDS (New Survey Question)	N/A	N/A	Benchmark Year	TBD	TBD

Goal 5: Increase revenue through entrepreneurial and philanthropic initiatives.

Knowledge Network will continue to improve its long term sustainability. We will build on the success of the BBC Kids channel acquisition by seeking out new opportunities to generate entrepreneurial revenue that can, in turn, support the public service. The new technology systems we now have in place will allow us to expand our philanthropic initiatives in ways that previously were not viable.

Strategies

Philanthropic

1. Convert a larger percentage of our 1.5 million weekly viewers to donors by employing new solicitation tactics enabled by our new constituent relationship management database (CRM).
2. Retain current donors by strengthening relationships through personalized stewardship, increased interaction online and at face to face events, resulting in a higher renewal rate, increased gift size and more additional gifts.
3. Continue and expand our Major Gift and Legacy Gift programs with individual donors.
4. Identify opportunities to solicit corporate financial support, and develop action plans for cultivating these prospects.

Entrepreneurial

1. Explore revenue generating opportunities for expanded carriage of the Knowledge Network signal in new markets.
2. Develop partnership opportunities that leverage our broadcasting strengths and align with our competencies.

Measures

Revenue Generated by Knowledge Partner Donations

We measure this activity by tracking Knowledge Partner donations recognized though our financial software system and donor database.

Revenue Generated by Entrepreneurial Initiatives

Overall revenue generated from entrepreneurial initiatives is tracked annually through our financial software system.

Performance Measures	2011/2012 Actuals	2012/2013 Forecast	2013/2014 Target	2014/2015 Target	2015/2016 Target
KNOWLEDGE PARTNER DONATIONS	$2.97 M	$3.1 M	$3.016 M	$3.14 M	$3.26 M
REVENUE GENERATED BY ENTREPRENEURIAL INITIATIVES	$174,030	$400,000	$425,000	$425,000	$525,000

Government Letter of Expectations

Below are specific directions outlined in the 2013/14 Government Letter of Expectations and our plans moving forward.

Specific Direction To The Corporation	Knowledge Network Action Plans
Make further progress toward the goals described in KNC's strategic plan. Specific to these goals, KNC will: a. Expand digital platforms to serve audiences anywhere, anytime;	Launch a High Definition channel for our television service.
b. Commission original British Columbian content in partnership with independent producers for multi-platform delivery;	Continue to support B.C.-based independent film and new media producers access international co-financing and co-production opportunities through our documentary commissioning and the Canada Media Fund.
c. Engage audiences through personalized, interactive social experiences;	Develop next phase of Knowledge.ca with new features to increase engagement with British Columbians.
d. Strengthen the Knowledge Network brand story and share it; and,	Build on provincial outreach activities connecting with communities and organizations across British Columbia.
e. Increase revenue through entrepreneurial and philanthropic initiatives.	Develop partnership opportunities that leverage our broadcasting strengths. Implement personal account management and functionality for Knowledge Partners.
Work to include public literacy television and internet programming focusing on the challenges facing the province, including: a. Seniors' demographic shifts	Continue to offer documentaries with local and global perspectives that challenge assumptions, broaden awareness, and spur the acquisition of new knowledge. Continue to offer commercial-free programs on-air and online for boomers and seniors who are underserved by other broadcasters in the B.C. market
b. Early learning initiatives	Develop and distribute Knowledge: Kids picture book. Commission and acquire new content for Knowledge Kids and Knowledgekids.ca supporting early learning development.
c. Asian trade and cultural awareness	Continue to acquire content from the Asia Pacific region for our East Is East branded strand.
d. Health care sustainability	Launch Emergency Room documentary series that will give insight into emergency health care and, by extension, the significant health care issues impacting our province today. Citizens will have an opportunity to participate through an interactive website that will support the television series. Continue to acquire content for television and the internet that educates children and adults about healthy living. Engage in media partnerships with organizations that have public interest campaigns supporting healthy lifestyles.

Specific Direction To The Corporation	Knowledge Network Action Plans
e. First Nations communities, culture and issues	Showcase aboriginal programming from local, national, and global perspectives.
f. Challenges facing the environment, including climate change	Educate British Columbians on challenges facing the environment, including climate change.
g. And economic issues.	Continue to acquire and broadcast documentaries on economic issues from local, national, and global perspectives.
Explore ways to expand opportunities for students through collaboration with public post-secondary institutions and Kindergarten - Grade 12 schools offering media, digital arts and other relevant programs.	Participate in outreach initiatives with K-12 and post-secondary institutions. Expand current internship program.
Build on the foundation of quality documentary programming by collaborating with partners, including the Ministry, to explore options to showcase and encourage public dialogue.	Work with the Ministry of Citizens' Services and Open Government to identify opportunities to expand public engagement on issues of relevance to British Columbians.

Key Assumptions and Financial Risks

Our Summary Financial Outlook is based on the following assumptions:

1. Financial information for Knowledge Network Corporation was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).[3]
2. Knowledge Network continues to receive the annual operating grant from the Government of British Columbia through the Ministry of Citizens' Services and Open Government.
3. British Columbians continue to support public educational broadcasting through individual donations and planned giving.
4. Knowledge Network generates new revenue through a management fee from the operation of the Canadian subscription children's channel, BBC Kids.
5. Knowledge Network continues to have equitable access to the Canada Media Fund for original content.

Knowledge Network's new three-year strategic plan is fully funded through our annual operating grant from the Ministry of Citizens' Services and Open Government and revenue generated from philanthropic and entrepreneurial initiatives. Our strategic partnership with BBC Worldwide to operate BBC Kids is funding a new high definition channel for our television service and ensuring a long-term supply of core programming for both BBC Kids and Knowledge Network.

Donations from Knowledge Partners support more than 70% of the programming on-air and online. We have experienced tremendous success with our fundraising efforts but are expecting slower growth over the next few years due to continued global economic uncertainty. The Endowment Fund is a vital part of Knowledge Network's ongoing plan for continued growth to ensure that commercial-free programming will continue to be available for all British Columbians to enjoy.

Minor capital upgrades of the digital broadcast facility have been self-funded, however, we anticipate replacement of major capital items within the next three years. With audience growth online steadily increasing, we are experiencing increased broadband usage and associated costs. Options are being explored to address the increase in digital distribution costs.

3. The corporation's treatment of broadcast rights is consistent with that established in prior year financial statements. For Public Sector entities specifically, GAAP no longer allows for the capitalization of intangible assets such as broadcast rights. To ensure the ongoing usefulness of the financial statements to users, the corporation will continue to capitalize broadcast rights and amortize them into income as matching revenue is earned.

Subsidiary/Operating Segment Summary Information

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981 and is owned in part by Knowledge Network Corporation. KWCC owns and operates BBC Kids, a Canadian subscription children's channel. The CRTC approved KWCC's acquisition of assets for BBC Kids in April 2011. BBC Kids is a commercial-free service reinforcing the values of both Knowledge Network Corporation and the BBC. KWCC financial results are consolidated under Knowledge Network Corporation's audited financial statements.

Knowledge–West Communications Corporation Board of Directors

Nini Baird, C.M.	Chair
Mitch Taylor	Vice-Chair
Rudy Buttignol	President
Jeffrey Lee	Secretary and Financial Officer
Ann Sarnoff	Director

Senior Management

Rudy Buttignol	President of BBC Kids
Lisa Purdy	Director of Knowledge Kids and BBC Kids

For more information on BBC Kids, visit bbckids.ca

Summary Financial Outlook 2013/2014 to 2015/2016

($000's)	2011/2012 Actual	2012/2013 (Forecast)	2013/2014 (Budget)	2014/2015 (Budget)	2015/2016 (Budget)
REVENUE					
Provincial Operating and Other Grants	6,410	6,410	6,260	6,260	6,260
Donations and Sponsorships	3,160	3,150	3,041	3,165	3,285
Other Revenue	79	470	620	720	800
Amortization of Deferred Contributions	461	281	281	281	281
Total Revenue	**10,109**	**10,311**	**10,202**	**10,426**	**10,626**
EXPENSES					
Salaries and Benefits	4,032	4,068	4,068	4,068	4,068
Programming and Presentation	582	590	575	575	575
Broadcast Platforms and Corporate IT	785	800	800	800	800
Development, Marketing, & Research	963	1,210	906	1,018	1,015
Administration	452	447	447	447	447
General	102	110	110	110	110
Total Expenses	**6,917**	**7,226**	**6,907**	**7,019**	**7,016**
Amortization of Capital Assets and Broadcast Rights	2,959	3,085	3,295	3,407	3,610
Net Income or (Loss)	**232**	**(0)**	**(0)**	**(0)**	**(0)**
Capital Assets and Broadcast Rights Acquired	**2,479**	**4,119**	**3,365**	**3,010**	**3,108**
Income from Subsidiary	1,389	1,412	1,450	1,450	1,450
Expenses from Subsidiary	756	1,050	1,050	1,050	1,050
Subsidiary Operations Net Income or (Loss)	**633**	**363**	**400**	**400**	**400**
Total Debt	**-**	**-**	**-**	**-**	**-**
Retained Earnings	**1,730**	**1,730**	**1,730**	**1,730**	**1,730**

BRITISH COLUMBIA'S
Knowledge Network:

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